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Events of the Week.

THE meeting of the Allied Premiers, as a preliminary to the Brussels Conference on Reparations, is to take place in London over the week-end. The meeting is recognized to be a critical one; but the fact is, of course, that the Allies' policy makes every Reparation crisis more critical than the one which preceded it, for every three months the situation becomes more desperate. The omens both for the preliminary meeting and for the Conference itself are very bad. For the last two or three weeks the Paris Press has been full of little else but threats of a Ruhr occupation, sanctions, and the "taking of pledges." It is currently stated that M. Poincaré, with his logical mind, has worked out a complete scheme which he is bringing with him to London and which he may or may not let off upon his Allies. The details of the scheme have been kept a profound secret; in other words, they have appeared in full in every newspaper. They consist of a series of loaded pistols, to be placed at the head first of the Allies in London, and then of the Germans in Brussels.

THE French plan seems to consist of two parts. The first will be a definite proposal that the German debt be reduced proportionately to a reduction of the French debt to us, that the percentages of German payments be revised in such a way that France will obtain a far larger share, that in some form or other there is to be a British guarantee of German payments, and that definite pledges be given to France in the shape of German mines and forests in return for a moratorium. Apparently it is not expected that these proposals will be accepted. France will then demand that the wilful default of Germany shall be declared, and coercion be applied in the shape of an increase in the territory occupied and the period of occupation, the establishment of a Customs

cordon round the Ruhr, and, as the "Times" ingeniously phrases it, "the general economic and administrative organization of the Rhineland." Readers of THE NATION AND THE ATHENÆUM will see in the last phrase a euphemism for M. Dariae's scheme for organizing the Rhineland in order "utterly to disorganize" German industry. Faced by such proposals, there is only one attitude which the British Government can adopt. We should make every possible concession to France with regard to her debt and to the share which she is to get of Reparation payments. But she on her part must agree in return, not to increase, but to stop her policy of occupying territory, taking pledges, and disorganizing German industry.

THE division on Sir John Simon's motion to repeal the Safeguarding of Industries Act shows clearly that Parliament no more than the constituencies has given Mr. Law any "mandate" for Protection. Mr. Law's majority was only 62 (on the Gas Mantles Order it fell to 51); had the National Liberals been a Liberal and a Free Trade party, it would have sunk to the twenties, and put the Government within sight of defeat in the first month of its existence. As it was, only about a third of Mr. George's following voted for repeal; while he and his ex-colleagues in the Coalition abstained. A "Liberal" leader who is neutral on Free Trade (after passing one of the worst Protectionist Acts ever drafted) is not exactly an overflowing asset in the party account. The debate tore the measure to ribbons. It has produced just such a tangle of duties as Gladstone swept away eighty years ago. Moreover, Protection never protects everybody, but only some industries at the expense of others. Therefore, considering what the character of British production is, the Protectionist is bound to injure the greater bulk of our manufactures in the effort to help the smaller. The Dyestuffs Act was bad enough; this measure is far worse.

To begin with, it is a fraud, for instead of being applied to key or war industries, as its authors promised, it has become, as Sir John Simon says, a tariff on the whole chemical trade, a tariff covering a total mass of 6,300 articles. In other words, it is being used as a "high protective tariff on articles of general use and convenience." An incidental result is the holding up of masses of merchandise in order to discover whether some minute fraction of them is liable to duty. On this subject Sir John showed that (as usual) a great many lies are being told, some discreditable trade trickery resorted to in order to keep up the protective virtues of this Act, and the public fleeced wholesale in the name of the public safety. Another argument in favor of this Act was that it would assist the recovery of the exchange. The state of the European exchanges is, of course, worse than ever. Meanwhile, as a special result of the fabric gloves Order, there has been a falling off of a million lbs. in the export of our cotton yarn.

BUT the most alarming feature of the debate was that the Ministerial argument in its favor, and in support of the Gas Mantles Order, was crudely protective; and that Sir P. Lloyd-Greame and others

exulted in its building up of special British industries (at the expense of the consumers), regardless of the fact that this is a plea for a continual expansion of Protection. No regard was paid to such serious events as the sending of British goods to be dyed abroad because the right kind of dyes are shut out, and an efficient British substitute—a dye that will stand washing—has not been discovered. Mr. Spencer, in a very remarkable speech, shewed to what loss and failure a great British industry is thus exposed. He made wide inquiries among the leading color users, putting to them these three questions: (1) Were British dyes as good as the dyes we got from abroad before the war? (2) Were the prices of British dyes as low as those of the imported articles? (3) Could the British firms renew their pre-war guarantees as to fastness of color? The answer to all these questions was "No." The dyeing trade had become the worst of our staples, and thousands of pieces were leaving Bradford undyed and going abroad. This is the sort of death-like tranquillity that Mr. Law is bestowing on a well-named trade. It is, as Mr. Spencer said, a form of Protection. But it happens to be the protection of the Roubaix manufacturer against the British. The Frenchman buys his Swiss dye for 3s. 9d. a pound; the Britisher purchases a worse local substitute for 7s. 6d.

THE pith of the Lausanne discussions in the past week has been the problem of the Straits. Most of the trouble was due to the attitude of the Soviet delegates, who, properly invited to take part in the deliberations, used their chance to embroil the situation. It has apparently undergone a singular evolution in the past fortnight. According to Rakovsky, the first Soviet plenipotentiary to reach Lausanne, Russia was to propose the complete demilitarization of the Black Sea. That is a measure for which there is obviously much to be said. Chicherin, however, in a Berlin interview, and later on his arrival in Lausanne, completely reversed this plan. At the Conference itself the proposal he officially launched was one not of demilitarization but of militarization. The Straits were to be as heavily fortified as ever, if not more heavily, and their sole guardian was to be Turkey, with sovereignty unconditioned, unlimited, and unsupervised. Finally, in a formal talk with journalists, the Soviet delegate explained ingenuously that since even under that *régime* the Straits might yet be forced by some powerful naval State, it would be out of the question for Russia to abolish her Black Sea fleet till universal naval disarmament in all waters had been effected. This is the new Communist foreign policy. It seems considerably worse than the old Imperialism.

THROUGHOUT the opening debate the Turks refused to put forward a single concrete proposal. Ismet Pasha contented himself with quoting the first article of the National Pact, which is studiously vague and bears in no way on the question of demilitarization. Their explanation was that they had always professed themselves ready to listen to any proposals put forward, and therefore desired to hear them before declaring their own views. Since Russia had shown herself more Turkish than the Turks it was obviously out of the question for Ismet Pasha to dissociate himself from Chicherin's proposals. But he carefully avoided giving them unqualified endorsement, and was still ready to hear what the Allies desired. The real effect of the first sitting in company with the Russians was to precipitate the far-reaching issue of whether Angora was to cast in its lot irrevocably with Moscow or not. If it did, the whole Lausanne Conference would fail, and

the military developments be incalculable. The natural tactics of the Turkish delegates were to hedge so far as possible. But procrastination at Lausanne is not encouraged by the Allied delegations, and Ismet Pasha cannot long delay a definite decision. In view of the magnitude of issues that go far beyond the immediate questions under discussion, it is unfortunate that France and Italy should be represented at Lausanne only by Ambassadors. It will be still more unfortunate if the London conversations on Reparations should open a new breach in the Allied front. In spite of one disquieting move by Italy, this has been strikingly preserved in relation to the Turks.

THE title and functions of the Governor-General made one of the three chief objects of Republican attack on the Anglo-Irish Treaty. The title appeared feudal, and the functions seemed to threaten Irish democratic and executive integrity. Democrats feared that the Governor-General would necessarily set up a court and become a centre of social political intrigue. Others, who still think in terms of the eighteenth century, believed that as the English control of the Executive in Ireland in 1790 upset the Parliament, so now the Governor-General would be used as a lever to upset the Irish Executive. The appointment of Mr. Healy multiplies or allays these fears, and is wise, necessary, and popular. To appoint a peer or a non-Irishman was to perpetuate the Lord-Lieutenancy.

MR. HEALY will discharge his functions in regard to the Crown with dignity, but he will not preside over a shadow-court nor be an English political agent. So far from being a spoke thrust into the wheel of the Irish Executive, he is more likely to be its spare wheel. He has had a hectic political past, and it was his ill fortune to impersonate in the anti-Parnell fight the bitterness which marks Irish controversy. He is a very representative peasant Celt in his strong realism, his gift of bitter satire with a vein of frank coarseness, and his simple and fervent Catholicism. But age and experience have mellowed him to a shrewd counsellor and a personality of quite unusual charm. He has been in recent years in friendliest touch with the present Irish Government, and his opinion has been sought by them. In earlier, passionate days in the House of Commons his voice was more than once the most authentic and politically unpopular voice of Irish Nationalism. This combination of Irish instinct, friendly personal relations, and familiarity with legal and constitutional affairs, makes his choice a happy one.

AT the moment of writing the Irish Senate is not yet constituted. Candidates are being put forward by the members of the Dáil, from whom thirty will be elected by P.R. The remaining thirty will be designated by the Government with a care for minority interests and the opinion of various professional and commercial groups. The existing list of nominees by the Dáil suggests that the Senate will be a safe, competent, and unexciting assembly. The Labor nominees are men of experience and marked ability; and amongst the others Mr. James Douglas and Mr. Lysaght have rendered notable public services. The Government's nominees include some names distinguished in literature: Mrs. Alice Stopford Green, Dr. Sigerson, and Mr. W. B. Yeats. Mr. George Russell, a strong supporter of the Free State, was also invited to join the Senate, but for purely private reasons was unable to accept the nomination—a decision to be regretted.

MR. LLOYD GEORGE made his first appearance in the new Parliament as a friend of British agriculture. Mr. George's friendships are apt to be a little dangerous to their objects, and agriculture has nothing in particular to thank him for but a land tax which never collected anything, the lifting of the embargo on Canadian cattle, a subsidy that came and went, and a policy on wages that ended in the "Oxfordshire scale." Nor do we quite gather what he would now be at. He wants inquiry, and plenty of it. But there always has been inquiry, and plenty of it. As a result, the business of farming land in England is worse off than at any time since the terrible 'seventies. Yet farming is a splendid business in countries (like Denmark, and even Ireland before the catastrophe) which aim at making it scientific, modern, and democratic. That is not a description of our own industry. But there is no reason why, when a great reform movement has been set going, it should not become a good description.

As was expected, the Swiss Capital Levy Bill was rejected by the *plébiscite*. What was not expected was the overwhelming majority of nearly seven to one against the Bill. The polling was extraordinarily heavy, and every canton gave a large majority against the levy. The voting of the towns seems to show that many of the usual adherents of the Socialist Party voted with the majority. The referendum in Switzerland has before this produced some very remarkable results. It has proved a highly educative political process; it is usually the occasion of a propaganda the intensiveness of which can hardly be understood by an Englishman. The present *plébiscite* was no exception to the rule, and the tremendous propaganda against the levy seems not only to have made the Socialists despair of their cause before the polling day, but also to have convinced very large numbers of those people to whom the Socialists' arguments might have been expected to appeal that the proposal was economically unsound.

THE miners' leaders could have had little hope of their journey to Downing Street last Saturday. When Mr. Bonar Law told the country that what industry wants is freedom from Government interference, he probably intended to practise his own precept. Therefore it was to be expected of him that he should tell the miners that he had no remedy for their troubles. He did not question the moving description given by Mr. Herbert Smith and Mr. Frank Hodges of the condition of the coalfields, but he denied by implication the proposition of Mr. Smith that the country, through the Government, was responsible for seeing the miners had a chance of a respectable life. He told them instead that they were the sport of trade fluctuations, and that their only help was in an improvement in trade. He spoke vaguely of the slight signs of revival and defended his refusal of an inquiry into the state of the industry on the ground that it might prejudice this possible and almost certainly distant recovery.

If the men bear their lot patiently for another two months, and there is no tangible improvement by that time, he will "consider" the question of an inquiry. Mr. Hodges referred to some aspects of the familiar subject of reorganization of the industry. Mr. Law admitted that the Government might have some responsibility in the matter of distribution costs, which some

unobtrusive committee is supposed to be investigating, but to all suggestions that he should try and get the coal-owners to reduce costs of production by co-operative effort, he turned a deaf ear. The miners' leaders did not conceal their disappointment. They insisted that the men will not go on indefinitely, and that if there is no improvement the profit-sharing agreement will inevitably be broken. The failure of the men's efforts to get help either from the coalowners or the Government will have to be explained by the Executive to the members of the unions, and it will rest with them to say whether or not they will resort to the desperate expedient of breaking the agreement.

THE documents published in "Le Matin" and the "Sunday Express" throw some light upon the responsibility of Mr. George, and, we may add, of other members of the late Government, for the Greek disaster; but they still leave many crucial questions obscure. The "Matin" disclosures refer only to the 1920 negotiations when M. Venizelos was still in power, but they are sufficiently damning of Mr. George's policy and methods. Here is a British Prime Minister, behind the backs and against the better judgment of his own colleagues and advisers, against the advice both of the Foreign Office and War Office, urging M. Venizelos to undertake a great military effort which was to "dismember Turkey" and establish a Greek Empire in Asia Minor.

THE documents throw a light upon the still graver question of the late Government's responsibility for those events in 1922 which led immediately to the disaster. M. Gounaris's letter to Lord Curzon of February 15th, 1922, published in the "Sunday Express," is evidence that the Cabinet had warning from the Greeks themselves of the perilous condition of the Greek Army. The publication of these documents makes it all the more necessary that a full inquiry should be held into the charges made against the British Cabinet.

M. CLEMENCEAU, who has been in Washington this week, has now finished his speaking tour. From New York and Boston to St. Louis his experiences have been almost unvarying. Enormous city crowds cheered him; public bodies welcomed him, and great audiences listened to his defence of the post-war mind of France. He realized at once, of course, that it was idle for him to urge upon the United States any positive European policy, and in his latest utterances made a point of repeating that he would be fully satisfied if he had proved to the American people that France was not militaristic.

His mission has been an unredeemed failure. The American public, so far from being persuaded by M. Clemenceau, has been strengthened in that hostility to French methods and aims which dates particularly from Briand's memorable speech in Washington a year ago. France, moreover, is hit severely in the view of America by the belated report of the Craze-King Commission sent by President Wilson to the Near East in 1919, with its wholly impartial recommendations on the Mandates and its downright condemnation of the French power in Syria. All this does not encourage Mr. Harding in the direction of helpful action at Lausanne. And yet Mr. Harvey, the American Ambassador, makes the plain assertion in his latest speech that Europe cannot endure for another twelve months.

Politics and Affairs.

THE OUTLOOK FOR PARLIAMENTARY GOVERNMENT.

WHEN Bagehot said that Parliamentary institutions only suited stupid peoples and that the French and the Irish were too clever to make a success of them, he seemed to be talking paradoxes. For to the Victorian mind Parliamentary government was the mark of a developed and mature society, and it was assumed that as each nation reached a certain stage in its growth it would take to Parliamentary government, as a tribe at a certain point takes to trousers. Englishmen naturally regarded their own arrangements as the standard to which progressing civilizations would conform. And in England Parliamentary institutions had assured a stability, a regularity, a continuity in government that was in marked contrast to the violent vicissitudes through which most of the great peoples of Europe passed in the course of the century. The memories of '48 were a haunting nightmare on the Continent; in England they recalled nothing worse than a silly storm in a teacup. Dr. Lowell, when writing on the Governments of Europe more than twenty years ago, attributed the difference between our settled habits and the uneasy and unreal equilibrium that he found in other countries to the advantages of a two-party system over a group system. Some would see in that two-party system merely another illustration of the working of a traditional system of Parliamentary government. But the success of Parliamentary government in England has depended on other conditions as well, and it is worth while to consider those conditions and their bearing on the situation in which we find ourselves to-day.

The Italian Parliament, which has vanished with scarcely a ripple on the surface of discussion in this country, had, of course, no roots in history. It was a new mechanism in the life of Italy, symbolizing new ideas and new forces. When Cavour died, Italy lost the one man to whom this mode of government was really congenial and familiar, for Cavour was steeped in the ideas and traditions of the English Liberalism of his day. In practice Parliamentary institutions have not attracted or interested the Italian people, because they have been so melancholy a failure: so completely what our Parliament has looked like to Mr. Belloc in his most extravagant mood. England alone of Parliamentary peoples carried the eighteenth century into the nineteenth, and she gave thereby a steadying tradition and character to the several extensions of the franchise that gradually substituted a wide electorate for the small privileged body that used to elect the unreformed Parliaments. In this way the habit of looking to Parliament, of respecting Parliament, of obeying Parliament, persisted even while Parliament was changing its character.

It was this habit, with all that it implied, that carried our Parliamentary system through two crises in which the danger came, as it has come in Italy, from the propertied classes. On two momentous occasions Peel and Wellington made up their minds that the aristocracy had to face a sacrifice rather than run the risk of anarchy. A great Conservative tradition was established by those statesmen in 1832 and 1845. In 1832 Wellington thought that it was better to accept a disastrous measure than resist it by methods that might make constitutional government impossible. In 1845 Peel was convinced that the aristocracy must surrender the Corn Laws if it was not to lose all influence in the country. Most of the landowners took the opposite view, and they took it with violence, but so firmly was this

Parliamentary tradition established that Peel was allowed to abolish the Corn Laws, with a great majority of his party voting against him. We ought, perhaps, to put into the same category the conduct of the powerful manufacturers in submitting to factory inspection. Many of them tried to trick the inspectors, some of them uttered wild threats, but there was nothing like open mutiny.

It is perhaps more difficult to account for the hold that Parliament had in the nineteenth century on the workers. The aristocracy might resent this or that concession, but Parliament was, after all, in the hands of the rich. Why was the prospect, and a rather distant prospect, of using Parliament one day as their instrument, enough to keep the workers quiet and patient? A glance at their history gives the answer. The workers became revolutionary under the old *régime* in the 'twenties. The repeal of the Combination Acts and the passing of the Reform Bill helped to moderate their temper. Then came a second revolutionary phase, from 1839 to 1848. The workers of the North were exasperated by the failure of the Reform Act, which had only given them a cruel workhouse system; the great changes that had come over their status and fortunes with the first phases of the industrial revolution were fresh and vivid in their minds; trade depressions and high prices added to the sharp discomfort of their lives. This acute tension was relieved by two great reforms: the abolition of the Corn Laws and the passing of the Ten Hours Bill. These Acts were followed by a great expansion of trade and the cost of living went steadily down. The failure of the Chartist movement and the success of the abolition of the Corn Laws shook the revolutionary tradition out of the minds of the workers, and the Trade Unions settled down to a quiet and steady life of growth and organization. An unexpected judgment deprived them of their rights in 1867, but those rights were restored by the Act of 1876. If we consider the state of housing and education, we shall not fall into the mistake of thinking that the Victorian Parliaments were very prompt or successful with remedies for social evils, but Parliament, having once got over the crisis of the 'thirties and 'forties, had a much easier time in England than anywhere else. The resolutions and discussions of the Trade Union Congress are enough to show how little militant discontent there was among the workers. There was no general active pressure of increasing poverty or a marked change for the worse in the status or circumstance of the workers: the industrial system was accepted as the natural order.

With the twentieth century there has come a rapid and striking change. Parliamentary government was threatened before the war from two sides. The fear for property, during the Budget agitation, drove the Tories to abandon the Wellington and Peel tradition and to adopt what we should now call Fascisti methods. So strange was this experience to the English people that they could not at first take it seriously, and the organization of a rebel army in 1912-13 was treated as a joke. The consequences of that attack on Parliamentary government have, of course, been grave and far reaching. But Parliamentary government was also threatened from the other side. The cost of living, instead of continuing to fall, had begun to rise: there was thus a new and universal pressure on the life of the workers: a fact of immense importance, the gravity of which was not appreciated by the Parliament of the day. Further, the outlook of the trade unionist had been transformed by new theories which challenged some of the fundamental ideas of the old economy, in which the mid-Victorian trade unionist

had acquiesced. Thus a spirit was growing up which discouraged the patient looking to Parliament for remedies at the very time when the richer classes were also preaching the doctrine that if Parliament did not carry out your wishes, you were entitled to take the law into your own hands. When the war came Parliament was less secure than it had been since the 'forties. It had before it social tasks that were bound to excite sharper class conflicts than any of the nineteenth century, and the tradition of respect for Parliament was weaker than at any time since the passing of the first Reform Bill.

During the last four years Parliament has given great encouragement to its enemies. It has played fast and loose with promises and undertakings. It has passed laws and then repealed them. It has initiated great schemes and then abandoned them. In the case of Ireland it conceded everything to violence: nothing to reason. An eminent historian remarked the other day that the election had saved Parliamentary government. He meant that the Coalition method was dead and that the new Parliament now possessed a living and a powerful Opposition. We hope and think he is right. But Parliamentary government will be put to a more searching test than it had to pass in the last century. The workers live in a different world. They have no intention of accepting as their inevitable lot the injustices that disfigure the life of the nation. They see positive and palpable evils, and they demand a remedy. If they find that a Parliament which represents not a small class electorate, but the mass of the workers, cannot improve those conditions, they will despair not of this or that party, but of Parliament itself as an institution. The tranquillity that kept a nation tranquil fifty years ago would produce a revolution in the nation to-day. Nor can the other danger be ignored. If the reaction against such neglect and misgovernment led to a too violent and indiscriminate attempt at social change, a Fascisti expedient in resistance is not impossible. The divergence between the temper of Scotland and the West Riding on the one side and the South of England on the other might in that case turn out to be a political fact of embarrassing importance. What is needed, if Parliament is to survive this danger, is a policy of careful but fearless reform. That is the policy on which the Opposition must insist, both in criticizing the measures of to-day and preparing the measures of to-morrow.

REPARATIONS AND REALITY.

It is of importance to realize quite clearly how stabilization of the mark and Reparations are two ends of the same stick. A few weeks ago, when the financiers had hold of it, the stabilization end was to the front. Now that the statesmen have swooped down on it once more, it is Reparations that alone appear to figure. There is risk of failure in stressing the priority, not to say the sufficiency, of either. There is not the slightest ground for believing that a recovery and stabilization of the mark would in itself enable Germany to make substantial payments to the Allies at an early date. It is now quite evident that it is impossible to rescue the mark, and maintain it at any level, so long as such instalments are demanded.

The German Government has, indeed, made a sad exhibition of inertia. Virtually it stands with folded arms before the spectacle of its monetary collapse.

As it now tardily admits, there are at least two brakes to which it might have had resort. One is the Reichsbank gold reserve, performing no useful function under existing circumstances. Only within the last few weeks has the bureaucratic opposition to the liberation of this gold been broken down, and a sum of some £25 millions been made available for help in the stabilizing process. The other brake is a substantial internal loan, to be subscribed by the great industrial and financial firms that have made gains out of war and post-war industrial activities. The knowledge that these large untapped profits existed has not unnaturally helped to harden the hearts of the Allies to German appeals *ad misericordiam*. For they have been made out of low labor costs upon the one hand, and low taxation on the other, both facilitated by the falling mark. The remissness of the Government in levying adequate contributions from these profiteering businesses and applying them to meet Budget deficits without inflation, may be intelligible enough on political and tactical considerations, but it has been a financial error of the first magnitude. With the terms for which it is believed that Herr Stinnes and his associates are now bargaining, we are not particularly concerned. We would only say that it is in our judgment a mistake for them to enter directly into any bargaining with the Allies, and particularly to include political conditions in their offer. Their dealing should be confined to their own Government, which has a clear right to their financial aid in its emergency.

But if the German Government is to stake the Reichsbank gold and such money as the capitalists can be induced to subscribe in an attempt to restore and stabilize the mark, it must have a reasonable assurance that this experiment shall not be brought to ruin by persistent demands for Reparations. However much money be provided by the Reichsbank, and internal or foreign loans, to lift the German exchange to some tolerable level, those resources can furnish no defence against demands incapable of being met out of the real wealth and income of the German nation. It is not even true that a restoration and stabilization of the mark, thus achieved, would have any immediate tendency to improve the productivity of German business, and help in securing the export surplus which is the only true source from which Reparation payments can be made. It is more likely that any quick application of the remedies would for the time being disorganize industry, cause unemployment, and check those branches of export trade that have thriven on the low exchange. These risks must be run in order to avert the far graver perils which the collapse of the mark involves: the growing shortage of money, particularly of working capital, the difficulty in buying foreign goods and raw materials, the desperate condition of the middle classes, the universal mania for spending, and the impossibility of making provision for the future. But all available evidence supports Germany in contending that stabilization, were it attainable, could not enable her to meet the current obligations of the London programme, or indeed of any programme involving early payments in gold, and that, therefore, before the risks and costs of stabilization be undertaken, guarantees against the resumption of a wrecking Reparation policy must be obtained.

The first of these conditions, already strongly supported by a consensus of Allied and neutral financiers, is a moratorium of not less than three years, during which no gold payments shall be required. The second is the appointment of an impartial expert body, in place of the present Reparations Commission, empowered to make a full inquiry into the capacity of Germany to

pay and to fix reasonable terms for Reparations on the basis of that inquiry. The resolution adopted at Genoa, for entrusting this critical task to a financial committee of the League of Nations, received, we understand, a favorable reception from some representative Frenchmen. We hope it will be urged again in London and at Brussels as the best available means of effecting a settlement which can satisfy both the legitimate demands of France and the requirements of the financiers and investors in other countries who will be called upon to play their part in giving business reality to the settlement.

For it is a lamentable fact that during the whole course of this inflamed controversy, no public attempt has been made at an impartial analysis and forecast of Germany's ability to pay. Such evidence as is available makes it difficult to suppose that, stripped of a large part of her minerals, her shipping, foreign investments, and trading facilities, crippled in foreign trade by tariffs and embargoes, and surrounded by neighbors in as bad, or even worse, a plight, she can get from her workers an output up to the pre-war level and can convert that output into export goods sufficient to provide a surplus over necessary imports. All available statistics of output in mining, agriculture, and certain staple manufactures indicate a reduction of at least 20 per cent. upon the pre-war output per man. None the less we think it likely that such a Commission of Inquiry as we advocate would hold that the science, technique, business organization, and industry of Germany are capable of a great expansion of productivity. Given fair access to markets, and freed from the anxiety and hopelessness of their present outlook, its people ought to be able in a few years' time to furnish a considerable sum in annual payments of interest and sinking fund.

But looking at the situation from the point of view of France, the most urgent of her creditors, the immediate need is to devise means to enable her to get present or early payments. And these again must clearly be based upon this computation of Germany's future capacity to meet the bill. If France insists on dealing separately and forcibly with Germany, she can get nothing. Such satisfaction as she takes will be in vengeance, not in money, nor in security. But if, as we hope and believe, a more reasonable mind in France is coming to the front, the obligation for immediate action lies primarily on this country, secondly upon the Allies, and lastly on the whole body of industrial nations capable of lending a financial hand in the emergency. Our part is the most urgent. This country is, we hold, already convinced that the proper thing to do, alike from the standpoint of right and of national interest, is to offer to France to remit her debt to us, as part of a general cancelment of European inter-Allied debts, to forgo our claim to German Reparation payments, and to take part in the raising of an international loan. In this way France would obtain early payments in respect of German Reparation, on condition that she agrees to scale down the whole indemnity to the sum fixed by an international commission as within the capacity of Germany to pay, and that she accepts a long moratorium unaccompanied by fresh menaces and "sanctions." The financial feasibility of such a plan must hinge upon the willingness of the investor in the world's money market to subscribe adequately, with such backing as our own or other Governments may think fit to give as additional security. Upon the present demands investors would lend nothing. We doubt whether any considerable early response could be got for any sum exceeding £2,000

millions. A lower sum than this would probably get more money, at an earlier date, and on easier terms.

These are technical details for an expert commission. The important thing just now is to get the whole issue into an atmosphere of business settlement. If France, as we are given to understand, wants money urgently to restore her own finance and expedite the restoration of her damaged areas, she can get it on these conditions and by these methods. But she must not mix it up with vengeance, humiliation, and territorial ambitions. It is reasonable that, if other nations are in the first instance to find the money upon German guarantees of future payments, they should have some right of supervision and criticism of German financial policy. On the other hand, a demand for control and detailed dictation of German policy is a manifestly wrecking proposal.

One final suggestion. The course we urge is one which seeks to shift the motive power of Reparation policy from force to faith, under the conviction that the former is a proved failure, and that only by establishing conditions of confidence, good will, and mutuality of interests, can any solution of the problem be found. Only by this new attitude can we expect to win from Germany a willing acceptance of the obligation to make good the material damages she has wrought, and to restore to her faith and hope in her own economic career. No single step would so much conduce to this better atmosphere as an agreement for an Allied withdrawal from the occupation of German territory. For the occupation is a clear political failure. It cripples the industries of Germany, impairs her taxing powers, and feeds the passions of resentment and despair.

"INDEPENDENCE" IN EGYPT.

It is to be hoped that the resignation of the Egyptian Prime Minister, Sarwat Pasha, and the formation of a new Cabinet under Tewfik Nessim Pasha will induce the Government to reconsider the whole situation and their policy in Egypt. The *régime* in that country is such that it may take some little while before the truth is allowed to filter through to us, and we learn exactly what has led to the fall of Sarwat. The significant facts are, however, that Sarwat has fallen; that the new Government has been very favorably received, particularly by the followers of Zaghlul; and that King Fuad has for the first time said the midday prayer at the famous pro-Zaghlulist Mosque of Al Azhar, and has thereby become extremely popular. All this points to the conclusion that the evil results of the policy pursued during the last twelve months by Mr. George's Government can no longer be concealed even from the people of this country, and that one way or another a radical change in the Egyptian *régime* is becoming inevitable.

Imperial, like foreign, policy can be conducted upon one of two principles, either that of openness and honesty or that of masks and shams. Our prestige and our pockets are suffering at the present moment because of the fatal belief of Mr. George and his Cabinet that you could get everything you wanted everywhere, if only you practised a sufficiently slim Machiavelism. Nowhere was the method more brilliant or more slim than in Egypt. It has been pursued there ever since the end of the war, but in order to understand its nature and the position which it has now created in Egypt, it is necessary to go back only to November of last year and to cast a rapid glance over the events which have happened since that date. In November, 1921, the Marquis Curzon of

Kedleston, on behalf of Great Britain, was formally negotiating a treaty with Adly Yeghen Pasha on behalf of Egypt. A draft treaty was actually under consideration, and the object of the negotiations is very clearly defined in its preamble, namely, to terminate the protectorate over Egypt and "thenceforth to recognize Egypt as a sovereign State under a constitutional monarchy."

Such being the object of the negotiations, the fact that Adly Pasha was the Egyptian negotiator was sufficiently remarkable. He was Lord Curzon's man, chosen to negotiate for Egypt by the British Government. On the other hand, the demand for the termination of the protectorate and the recognition of Egyptian independence—the two objects which Lord Curzon professed to have in view—was identified in Egypt with only one man, Zaghlul Pasha, and only one party, the party of Zaghlul Pasha. Yet because Zaghlul demanded what Lord Curzon was trying to give to Adly, and because he was almost universally recognized as the only man who could really represent Egypt on this question, Lord Curzon and the Government refused to negotiate openly with him and treated him as a traitor and Bolshevik. Nevertheless the negotiations broke down. Even Adly Pasha refused to accept the detailed terms of the treaty which Lord Curzon offered to him, on the grounds that those terms belied the promise in the preamble, and that, in fact, the protectorate was not being terminated and independence was not being granted.

Adly Pasha having failed him, Lord Curzon now had to find some other Egyptian who would be willing to accept the independence of Egypt. Accordingly his first step was to arrest Zaghlul Pasha for demanding the independence of Egypt and deport him to a far-off island, and he has been kept a prisoner ever since. Zaghlul being now safely out of the way, the British Government turned to Sarwat Pasha and made with him a characteristic compact. The idea of an agreement freely entered into between the Egyptians and ourselves was abandoned, and a highly ingenious and slim scheme, finally put into operation in March last, was substituted. The British Government proclaimed that "the British Protectorate over Egypt is terminated, and Egypt is declared to be an independent sovereign State." The Sultan Fuad became King Fuad, and a promise was made that martial law, which had existed in Egypt since November, 1914, would be withdrawn. Sarwat Pasha was to be Prime Minister, apparently on the understanding that he would in three months induce the Egyptians to accept their independence.

Sarwat Pasha, Lord Allenby, and the British Government have now been carrying out this scheme for nine months. The independent sovereign State of Egypt remained occupied by a British army; it was administered by martial law; its Prime Minister was selected by the British High Commissioner and Field Marshal, Lord Allenby; the leader of probably its most influential political party was interned in a distant island by the British Government. History records no previous instance in which an independent sovereign State has enjoyed so curious a form of sovereignty and independence as that which Great Britain has bestowed on Egypt. A single instance may be given illustrating the kind of freedom which the Egyptians won in March, 1922. The Union Jack, that symbol of freedom, waves over many islands in the seven seas, but probably even they are insufficient to contain all the followers of Zaghlul Pasha. At any rate no attempt was made to arrest, deport, and intern all his followers, and those leaders of his party who had not been interned remained in Cairo and formed

what was called the "Delegation of the Egyptian People." In July last Zaghlul became seriously ill, and there were fears that he might die. The Delegation, which consisted of eight influential men, issued a manifesto calling upon the Egyptian people to demand the release of Zaghlul and "to communicate to the civilized world by every means at your disposal expressions of your anger and protest." The signatories of this manifesto were immediately arrested under martial law and charged with "bringing the Government of the King of Egypt into hatred and contempt," and with attempting "to stir up disaffection against the existing order of Government." They were tried by a British Military Court, which was directed to advise the Commander-in-Chief as to the sentence to be imposed. The Court advised a sentence of death, but this was commuted by the Commander-in-Chief to seven years' hard labor, and a fine of £5,000 each. The accused are now serving their sentence in a Cairo prison.

It would be possible to give other instances of arbitrary arrest and imprisonment, censorship, and all the usual paraphernalia of martial law now being applied in Egypt. But this one example is sufficient to show the nature of the régime there. It is based on a policy of shams and dishonesty. The Government has set up a façade in front of Egypt and has written on it: "This is an independent sovereign State, it has a constitutional monarch, and its people enjoy freedom and self-government." The façade is a sham and the notice on it a lie; there is nothing behind it but a British Commander-in-Chief, a British army, a Press censorship, martial law, and seven years' hard labor for any Egyptian who has the audacity to protest against it. Now, it might conceivably be possible for the British Empire to continue, if this dishonest policy of promising freedom and applying martial law were confined to Egypt. But it is not; it is all of one piece with the policy of slimmess and duplicity which for the last four years has been practised by our Government towards the peoples of Asia and the East and has made the name of Great Britain stink in their nostrils. If anyone wishes to see the results of that policy, he should read the extraordinarily interesting statement made in the "Manchester Guardian" by Radek on Russian policy in the East. Radek, in fact, says: "We are quite willing to co-operate with you, if you treat us honestly and fairly; but, if you propose to treat us as you have treated Persia and Turkey and Mesopotamia and Egypt and India, then we shall base our relations with the East on the fact that the poor and hungry are stronger when they are united, and the peoples of the East and the peoples of Russia are alike poor and hungry!" The threat contained in these words is not a vain one. The façades of freedom which conceal a military imperialism may deceive the people of this country, but they do not deceive the peoples to which they are applied, the Egyptians, Indians, Arabs, Turks, or Persians; and sooner or later, if this double-faced imperialism is persisted in, it must unite the poor and hungry against the rich and powerful.

PROFESSOR HARNACK ON THE CRISIS IN GERMAN SCIENCE.

By VISCOUNT HALDANE.

IN a great book, too little read to-day, "L'Avenir de la Science," Renan, as an historian, treats of the development of human thought. He looks to this development and to the diffusion of a higher level in knowledge for the solution of what is for him the great problem of democracy. In no other fashion will democracy be saved

from either continuing to submit to be ruled by an aristocracy of some kind, or from remaining inert, excepting when stirred from time to time by revolutionary uprising. He goes on to point out, what is not so generally accepted, that it is in times of disturbance of the normal life of humanity, by wars, by persecutions, by hard economic conditions, that the finest flowers of genius have appeared. He points to the work of the early Christian martyrs, whose ideas, after their authors had perished, came to dominate the Roman Empire. He recalls the genius born amid the disturbed conditions of the Renaissance. He refers us to Germany, which reached its Elizabethan level, not only in literature, but in philosophy, while suffering under the grip of Napoleon. It is such conditions, he says, which have always provided the soil that is most fertile in new ideas—ideas which reveal themselves less easily in more prosperous and tranquil periods, but which continue their influence during these more stagnant times until a repetition of hardship stirs the human spirit to new creative impulses. He does not mean to praise or to prefer the periods of hardship. What he says is that we must not underestimate the stimulation they bring. According to him the history of thought shows that we owe much to times of oppression.

It is no doubt true that, as Dr. Harnack says in his article in *THE NATION AND THE ATHENÆUM* of December 2nd, German science is at present under a heavy burden. But the evidence seems to show that, heavy as this burden is, it is not preventing high quality from being attained in the output of German research. Even in the quantity of this research and of the books in which it is recorded there is nothing to cause despair. In mathematical physics, for example, the stimulus given by leaders like Einstein and Max Planck is producing a larger amount of literature belonging to this domain than in this country

and the United States put together. Nor is it otherwise in chemistry, where men of world-wide reputation like Nernst are filling bookshelves with their own works and those of the disciples whom they have inspired. If we turn to books of a different kind the same phenomenon presents itself. The stream of Goethe literature appears to be actually on the increase. Great biographies like those of Ludwig and Meyer are steadily appearing, and the mass of minor works on Goethe and on German literature appears to be not diminishing. Publishers are not wanting, nor, judging by repeated editions, is a public. Germany appears to be concentrating on affairs of the soul, much as Renan declared the nations do naturally under hard conditions. I have not, so far as my own observation goes, seen a time in which the German spirit was more active in regions such as those I have referred to. And one has only to look at the books in any large bookshop in Germany in order to see that this is the case, at least in a great many departments of knowledge.

Dr. Harnack's view is, of course, of much greater weight than mine. I do not question the effect of the great financial difficulties to which he refers. I wish much to see them lightened. But when he speaks of scientific research in his own country as "paralyzed," and says that it is "menaced with destruction," I think that he takes a view that is unnecessarily despairing. There appears still to be as great a passion in Germany as before the war for excellence in knowledge, not less great, so far as my reading and such intercourse as I am privileged to have with her scholars inform me, than at earlier periods. Of all dangers with which Germany is confronted, that of losing this passion seems to me to be the least. By all means let us make it possible for her to live and to develop herself economically. But let us turn our attention to her real peril and not to one which, though distracting, does not appear to be menacing.

TOWARDS AN INTERNATIONAL POLICY.

III.—STABILIZATION OF COMMODITIES.*

By E. M. H. LLOYD.

THERE is reason to doubt whether the plan of international currency regulation discussed in the previous article can be relied upon to stabilize the general level of prices, so long as the staple commodities, which enter into the general index number, are subject to independent fluctuations. The essence of the wider plan of stabilization, therefore, is to regulate the value, not merely of gold, but of certain other commodities as well. Before the war such an idea would have been dismissed as visionary; but to-day it can be seriously entertained as a scientific policy in keeping with modern tendencies. During the last two years of the war international machinery was created for just this purpose. Foodstuffs and raw materials were bought and sold in bulk at fixed prices by the Governments of half the world. To-day, though the Governments have gone out of business, international combines, trusts, and co-operative societies are moving in the same direction. Spasmodically and ineffectually enough, their efforts are directed towards the same end—namely, the elimination of unnecessary price fluctuations in the marketing of staple products.

Take petroleum and its products. Here price changes are recognized to be an extremely wasteful and unsatisfactory regulator of supply and demand. Supply

is not elastic enough to adjust itself quickly to changes in demand. When consumption falls off and prices fall, oil production cannot be quickly reduced. Under competitive conditions this aggravates the slump. *Vice versa*, oil production cannot be quickly speeded up when consumption increases and prices rise. Several months are required before new wells can be bored and new pipe lines laid down. Prices therefore rise to extreme heights before production overtakes demand. But meanwhile the real demand has been artificially exaggerated by speculation, with the result that, when tanks and pipe lines have been filled to their utmost capacity, a severe slump occurs and the industry is again disorganized by a fresh period of depression and over-production. This tendency to violent price fluctuations is inherent in the industry, and is not entirely due to changes in the value of money. On the one hand, it is aggravated by, and on the other hand it contributes to, the general instability of monetary values.

Mr. Walter Teagle, President of the Standard Oil Company, referred to this evil in an important address to the American Petroleum Institute in December, 1921. The ideal to be aimed at, he explained, was to maintain production at a given level irrespective of current requirements. This would entail, first, the building of vastly greater tank storage for the purpose of holding

* Part I. appeared in *THE NATION AND THE ATHENÆUM* for November 11th, and Part II. on November 18th.

reserves; and secondly, stabilization of prices by a world monopoly operated in the world's interest. This statement is significant. It is, of course, conceivable that a voluntary understanding between the Standard Oil, the Royal Dutch, and the Anglo-Persian Oil Company might establish such a world monopoly; but a development of this kind is, perhaps, neither probable nor desirable. The alternative will be for the Governments to intervene and bring about a statutory monopoly with proper safeguards for the interests of consumers. It is worth recalling that during the boom of 1920, when speculation had forced oil prices to an extravagant height, the Commercial Motor-Users' Association of the United Kingdom (hardly a body to be accused of visionary and Socialistic proposals) and the Petrol Sub-Committee set up by the Board of Trade under the Profiteering Act recommended that the Governments of the world should take action through the League of Nations to regulate the price of petrol. Now that the boom has been followed by an unprecedented slump, it is the producers who are beginning to talk of a world-wide organization to regulate the production and price of petroleum products. With such an organization price stabilization would present no serious difficulty. Even in the retail trade, organized distribution at fixed prices has already taken the place of market fluctuations as the normal means of adjusting supply and demand. In oil, as in gold, wholesale adjustment of supply and demand would be effected by the pooling and centralization of reserves and the adoption of a common reserve policy throughout the world.

An interesting development of a similar kind is to be noticed in the case of rubber. British and Dutch rubber producers have been demanding inter-Governmental action to control the price and regulate the production and marketing of plantation rubber. Rubber production is even less sensitive to price changes than oil production. It takes five or six years before a new rubber plantation begins to bear. Under such circumstances scarcity and high prices at one time must inevitably lead to over-production and ruinous losses later on. That the world should have hitherto devised no better means of securing a long-term adjustment between the production and consumption of rubber than the vagaries of a speculative market is a convincing lesson in the medieval clumsiness of our economic organization. The case for international regulation is overwhelming, and the rubber producers are to be congratulated on not being afraid of the boggy of Government control.

The case of coal is of fundamental importance to the whole economic system, and of more vital concern to the workers. Price changes as a means of adjusting supply and demand are as wasteful and unsatisfactory in the coal industry as in oil production. Moreover, fluctuations in the value of coal have a disastrous influence upon the rest of trade and industry, since coal plays such an important part in the cost of production of iron and steel and other commodities. Greater stability in coal prices would contribute enormously to the regularization of production, to the mitigation of profiteering and unemployment, and the avoidance of wage disputes and social unrest. If, as was recognized at Genoa, it is important to stabilize the value of gold owing to its influence on the general level of prices, it is surely as important to try to stabilize the value of coal for precisely the same reason.

The commercial and financial conditions which dominate the coal market are of more importance to the miners even than the ownership and management of the mines. And these commercial and financial conditions are international rather than national in character. It is necessary to emphasize this commonplace, since even the Sankey Commission paid little attention to this all-

important side of the coal problem. The Commission hardly discussed the European coal market, and even the advocates of nationalization assumed that the export trade could somehow be carried on as before without analyzing the probable effects on prices, wages, and profits, and the conditions of production at home. But that was before the slump came. If the Sankey Commission was sitting to-day, it would be taking evidence about the causes of the ruinous slump in coal, about the effects of the policy of deflation upon the livelihood of miners in South Wales, and about the possibility of regulating output, and achieving "stability" and even "tranquillity" in the coal industry, by a less ruinous method than starving the workers and bankrupting the employers.

In order to regulate coal prices it would not even be necessary to establish a world monopoly. All that would be necessary would be to establish a European Coal Commission to regulate the price and production of coal throughout Europe. This common-sense arrangement was, in fact, very nearly adopted in 1919. On the initiative of Mr. Hoover, and with the strong support of the French and Italian Governments, a European Coal Commission was appointed; but owing to the refusal of Great Britain to allow any interference with the price of British export coal it did little of any use, and its existence was soon brought to an end. Nor need price stabilization necessarily involve a change of ownership in the mining industry, though some degree of unification in each country would probably prove essential. If the mining industry was better organized and the owners learnt to combine instead of competing, it would be no more difficult to arrange co-operation between the mining groups in each country than to get the Central Banks to work together on the lines approved at Genoa.

The problem of stabilizing the prices of agricultural produce is essentially similar, but presents greater practical difficulties. A world monopoly of wheat is only conceivable as the result of co-operation between Governments, and many of them are not at the moment in a very co-operative frame of mind. We can only discuss it, therefore, as a rather remote possibility, but it is none the less important to emphasize it as the only ultimately rational policy for resolving the perpetual disharmony between the interests of farmers and consumers. There will be neither stability nor tranquillity, in the towns or in the country, so long as the price of food swings to and fro, at one time penalizing the consumers and at another time ruining the producers. Nor will the Governments in the long run be able to afford to do nothing and content themselves with comfortable phrases about private enterprise and the blessings of competition. Instability is too dangerous. Moreover, it is politically unpopular. It loses votes. In the boom years the consumers demand protection from profiteering; in the years of slump the farmers demand guaranteed prices and protection from ruin. Movements in either direction affect the cost of living, and are the most fruitful cause of wage disputes and industrial unrest. How thankful any Government would be to be able to stabilize the price of wheat and other staple foodstuffs!

But is the stabilization of wheat so utterly unthinkable as is commonly supposed? It is, of course, a world problem; but, as with gold, quite a small number of countries acting together could solve the problem. The United States and the British Empire, with Russia and the Argentine adhering later, could establish a world monopoly. A Government wheat "pool" in Canada or Australia alone would be unable to dominate the world market, and might easily be rendered insolvent by a slump in world prices. But if an international wheat pool were established, stabilization of wheat prices would become a practicable commercial proposition. The

object of the pool would be to reduce price fluctuations to the minimum by holding large reserve stocks, and meeting seasonal and even cyclical variations in demand by increasing or decreasing its reserves. The first task would be to prevent any possibility of the world going short owing to a bad harvest. Substantial reserves would therefore be built up during the first two or three years by a fairly liberal guaranteed price. After that, if over-production should ever become a serious difficulty, production might have to be restricted, not as in oil, rubber, and coal, by direct enforcement (which would be impossible where the producers number millions), but by deliberate reduction in the guaranteed price. Price changes at rare and infrequent intervals, therefore, would not be altogether eliminated. But such changes would be far less frequent and less severe than under any other system of marketing. In endeavoring to

counteract the tendency to cyclical fluctuations of trade the International Wheat Pool would reinforce the efforts of the Central Banks. At the first signs of a boom the Wheat Pool would begin to sell freely from its reserves at the same time that the Central Banks were increasing their reserves by a contraction of credit. Similarly during a slump the Wheat Pool would be building up its reserves at the same time that the Central Banks were encouraging the further expansion of credit by lowering the rate of interest and decreasing their reserves.

If such a plan is not immediately realizable, it is at least not Utopian. It is a logical extension of the Genoa programme of international currency regulation. It is administratively possible, as the experience of the Wheat Executive during the war has shown. And it gives a scientific, and not altogether revolutionary, interpretation to the popular catchword "stabilization."

IN THE NEW PARLIAMENT.

II.—THE LIBERAL PARTY.

WHAT rôle is the Liberal Party to play in this Parliament? and this is the same question, What part will it take and in what strength in future Parliaments? First, then, what constitutes the Liberal Party? There are (the numbers are not exact) 61 Free Liberals and 55 National Liberals elected. Many ardent politicians in the constituencies add these figures together and write enthusiastically of a reunion which would in effect make a Parliamentary force approaching in voting strength that of the Labor Party. Will this happen? It seems so simple. A few half-forgotten personal feuds are deemed to be the only obstacles. If these could be forgiven, Liberalism would come into its own again. Such is the fond hope of many of the rank and file. In truth the facts are not so encouraging. Union on the basis of Liberalism is the objective, and it is the basis which at present it is hard to establish. A man is judged by his works and his hopes. To discover whether a reunion is likely we must assess the National Liberals individually by these standards. As to works: what pledges have they given and how have they secured election?

No doubt they are chiefly bound to a leader and would be swayed by his decision. But what of their electors, to whom they are even more directly responsible? Of the 55, over 30 appear on examination to owe their return directly to Conservative support sought and received in virtue of undertakings given. In one case a member of the Government spoke on behalf of a National Liberal. The remainder, for the most part, accepted rather than asked for Conservative aid.

The votes they have cast to date correspond roughly to their electoral standpoint. There have been divisions of two kinds. The first are the formal questions on which the Opposition normally challenges the Government's wishes, such as the suspension of the eleven o'clock rule, the taking of all time for Government business, the closure, and so forth. On these occasions about 30 of the Nationals have supported Mr. Bonar Law and about 20 abstained from voting. There have been two or three challenges to the Government policy; for instance, the question of the undertaking asked from the newspapers not to reveal the source of the information about the leaders of the unemployed, and the creation of a Governorship in Northern Ireland. On these occasions about 20 Nationals supported the Government and about 30 abstained. On the unemployment amendment 28 supported the Government. On the Free Trade amendment 23 voted against the Government.

It may be that there is hope in these votes and abstentions, and that the Nationals' pledges are not of

the binding sort that was feared. If so, there is a prospect of a very substantial addition to Liberal voting strength. I profoundly trust it may be so. There would be great encouragement in it. But a man must be judged also by his hopes, and it would be foolish to ignore the fact that if members have been returned by Tory voters they will naturally seek not to alienate by their acts support on which at the next election they must rely.

In any case, the brunt of the fight for Liberalism must fall on those who were returned as entirely free and naturally find themselves in formal opposition to a Conservative Government. What of them? First let me say how invigorating is the atmosphere of the new House. The air is fresh after the fog of carelessness, selfishness, and stale militarism which lay over the last Parliament. There is passion. The condition of the people is the chief preoccupation. Men talk of evils they know and hate. The whole moral level has been raised. In this expression Labor and Liberal members have joined. While the Liberals have taken the lead in raising the questions of Free Trade, the relations of the Government to the Press, the fulfilment in spirit of the Irish settlement, implying the final objective of a united country, Labor has moved its Amendment on Unemployment (for which the Liberals spoke and voted), and initiated a debate on the Housing question. Both Liberals and Laborists have also tabled many amendments on social questions.

But Members of the House of Commons, even on the left of the Chair, are required not merely to ventilate grievances but to examine causes and suggest remedies. How will the Opposition shape? As to the European chaos, the Amendments to the Address tabled by the Liberal Party already show a clear policy, a realization of the mistakes of the Versailles Treaty which is not new, but will be emphasized in a new way by the reinforced ranks of Liberalism. The somewhat lukewarm assurances of the Government's sympathy for the League of Nations' ideal compel the belief that a vigilant watch will be needed here. That a complete change of fiscal system is not contemplated by the Prime Minister does not mean that every sort of protective expedient will not be attempted—whether it be applied to creating a broadcasting monopoly at home or using the Mandate as a means of incorporating trust territories in our fiscal system. The incidence of taxation must be scrutinized with the ideal of a free breakfast table in view. The rights of the House of Commons itself may be threatened in due time by some attack on the Parliament Act. The

full observance of the Irish Treaty must be enforced—including the readjustment of the boundary—a subject on which the Government already display a strange reticence. Withdrawal from Middle Eastern adventures must be pressed. All this is practical reform to which the Liberal Party is pledged and which its Members in Parliament will demand. In pursuing it they will be working in complete harmony, I imagine, with the Labor Party.

What of the great social questions of Unemployment and Housing? Already the Liberal Members have been forward with practical and helpful suggestions. Unemployment insurance, inaugurated by a Liberal Government, seems to them, in a generous and improved form, an essential part of our industrial structure. It is strange to note how the Labor Party appear to join with the Tories in describing the benefit (and it is a benefit towards which the State subscribes only a fraction) as a "dole." "Work, not doles," say the Labor Party. Without doubt, in the exceptional circumstances of our time, relief schemes are essential. But I suspect that with the Socialists the clamant need for employment appears as a convenient opportunity for the creation of State industry for its own sake, whereas Liberals, I imagine, would rather declare for free industry bearing generously and fully the burden of its own casualties.

The truth is that while in practical steps there will not be frequent divergence between Liberalism and Labor, the Labor leaders will often be embarrassed by the somewhat chilly reception given by their own supporters to what so far have only been pious phrases about a change of system. The most vigorous of the Socialists in the rank and file were returned because they persuaded their supporters that a "change of system" or the socialization of industry was the simple specific for all our present ills. With this Liberals disagree, but they must rather the more prove that the old machinery can be adjusted so as to avoid the shameful hardships we know. This is the way to save us from the worse evils for which realized Socialism has been proved to be responsible.

WEDGWOOD BENN.

A London Diary.

LONDON, THURSDAY.

The great Georgian film, "Liberal Reunion," has suffered a little in popularity owing, perhaps, to the exposure of its author's design not so much to unite with free Liberalism as to supplant it. The Georgian opposition to Lord Grey's leadership of the Opposition in the Lords did not mature, for Lord Grey could not be induced to stand. But the plan was perfectly clear. That was to leave the practical leadership to Lord Birkenhead. The handful of Liberal peers are of no great account one way or another. But the idea of their taking such counsel as comes to them from the cleverest of the Georgian Musketeers would enable their chief to keep up a pretty formidable encampment in the Liberal headquarters, and to create an impression of fusion before the thing itself actually came about. But the central game is being played out in Abingdon Street. There the "garden methods" of No. 10 are at work again. In addition to the large house in Great Queen Street, from which the organization of triumphal processions, &c., was done, and which is still, I believe, retained, 18, Abingdon Street has been taken on, and Nos. 19 and 20 are being added on to it. With this sapping and mining, the Georgian headquarters now adjoin those of the Free Liberals, and the obvious aim

is to force a surrender or to starve the garrison out. But what are three (or four) houses wanted for? A great party can be organized by legitimate means in a single moderate-sized household. There can be no use for such an emporium as Mr. George is setting up save for a gigantic propaganda lavishly financed, and designed to overwhelm the modest effort to keep the true Liberalism going.

But here there comes in the money power. Mr. George is said to have at least a million in hand. How has this vast fund been built up? The substance must have come from the sale of honors, conducted on a scale unprecedented in English history. Special trains, demonstrations, dinners, receptions, all cost money. How has it been obtained? Mr. George was not a Liberal Prime Minister. He was more than half a Tory one. How, then, have these immense resources been accumulated, and banked as it were on his sole political fortunes? We are faced here with a new problem in propaganda-politics, with which every honest party, Tory, Liberal, Labor, is almost equally concerned.

How fight such a monster of the new political world? Fighting, of course, is the only word. Mr. George fights with all weapons. He strikes in turn at the men who impede his return to power—Grey, Gladstone, Asquith. But what should the countering armament be like? Well, it must be clean. The Coalition was tainted to its core; let the Liberal Party remain uncontaminated. If it wants money, let it take a hint from the Salvation Army and trust to the tambourine. It can fight Tammany by sticking to its principles and honestly adapting them to the needs of our times; by open organizing work; by appealing to the Liberal masses to choose their own candidates and find their own electioneering funds. Remaining poor and honest, it keeps the key of the future, and, resisting a gross act of seduction, lifts a banner to which thousands will gather with a zeal unknown to the new wealth-begotten faction. But touch Mr. George and his Nibelung gold? Not a stiver!

To my mind, the most melancholy feature of this revolting business is the part which the "Manchester Guardian" has played in it. It is hard to rebuke the friend of a lifetime, and to ask its admired conductor to pause before he destroys his well-won influence with the new generation. But when I see the "Guardian" thrusting every bit of uglification into a corner; hinting, where it cannot affirm, a Lloyd George that never existed, or has long given up the ghost, and dissolving the real Lloyd George into a thin sophisticated mist; trying to edge this Facing-both-ways faction into the limelight of Liberalism, and shaping its devious path into a line of rectitude or of moral recovery, I blush for the great journal that I knew. Who cares what four-fifths of the Press affirm or deny? Between them they do not lift a featherweight of spiritual power. But the "Guardian" has a history, and a trust begotten of that fine record. Is it to be bartered away for a sickly fancy that Time, the journalist's Mentor, already holds in derision? I hope not.

IRELAND could hardly ask for a plainer sign and seal on her internal freedom than is given in Mr. Healy's appointment as Governor-General. With Mr. Healy installed in Dublin, it is not possible even to think of England governing Ireland. Seven hundred years of history are accomplished. Everything English goes; Dublin Castle and its courtly show, the symbols, formal

and imperial, of the past. Not that the gesture is politically a revolutionary one. Mr. Healy, like most Irishmen, is a born Conservative, and if, when Ireland has shaken her obscene visitation off, difficulties await him in the ordinary way of government, it will be with the Labor Party. But the fine thing about his appointment is that it is based on merit. Shaw and Healy are the two great living Irish wits; but Healy stands alone as the greatest living Irish orator. The second gift has been mostly exercised at our expense. I suppose the two best modern examples of the ironic method in oratory are Healy's description of Home Rule in Uganda and of the British annexation of Burmah. The latter event was preceded in the Press of that day by some timely reflections on the private character of King Theebaw. This was Healy's opportunity. He gave an unimpassioned recital of the story, closing each sentence with the refrain, spoken in his deep and melancholy voice, "And Theebaw was drinking still." He had another vein, which moved him no less than his hearers. The Englishman would call it sentimental, but it was really an anguished appeal to this country to consider what she had brought Ireland to. It often ended almost in tears. Yet the speaker was a man of the world, with a keen, tough, and well-disciplined mind. He will certainly not be a silent Governor-General. But I think he will be a good one.

THE new editorship of the "Times" is not disclosed, but I imagine it is fixed to go back into Mr. Geoffrey Dawson's capable hands, and that the new Editor will be in supreme control. My view has always been one of admiration of Mr. Dawson's cleverness in keeping his personality afloat in the fearful Northcliffian cataract. The waters descended daily, but Mr. Dawson always contrived to bob up in the full swirl of the current. His second association with Printing House Square has its problem in the rivalry of the "Morning Post." The "Post" is a generation or so behind the living thought of its time; yet it effects the daily miracle of seeming to be completely master of it. To speak quite plainly, its brilliant gymnastic has left the "Times" standing still. The "Post" knows the intellectual game and plays it with wit and skill; knows the personalities and plays on them; and, moreover, gives every newspaper man something fresh in foreign news with which to bite his teeth on. The task of the "Times" is not only to recapture its lost touch with affairs, but to acquire a liveliness that it never in its best days possessed. Northcliffe merely made it jumpy in policy, fictitiously newsy in make-up—in a word, "bright." It was Mr. Dawson's merit to show that he knew what the "Times" really wanted, and to do his best to administer the necessary tonic.

I FELL greatly in love with the "Old Vic's" representation of "Don Giovanni," in Mr. Dent's translation and setting, and very particularly with his restoration of the serio-comic ending, in which, after the Don has been hustled away by black-avised demons, the characters come to the footlights, and warn the audience (to Mozart's heavenly flutings) to take heed by his awful fate. I hope they were impressed; but the evening ended in smiles rather than sighs. I imagine it was because the listeners judged, and quite rightly, that "Don Giovanni" was not tragedy, but ironic comedy, and that as the Don's single success in the play had been a ravished kiss from Zerlina, it would be sufficient penalty to bind him over (in purgatory) to keep the peace with the ladies for the rest of his immortal existence. Certainly, the company at the "Vic." rose gloriously to this interpretation, and sang and played in tune with the gaiety of their theme.

In passing "Waste" for public performance, and renewing the veto on "Mrs. Warren's Profession," the Censor has done just what might have been expected of him. "Waste" is a very clever play, with one scene of passion somewhat over-stressed, which offended some delicate eye in the Lord Chamberlain's office when the work was first proposed for representation. Otherwise, it was of the quality which gave it high place among the descriptive plays which half a dozen of our ablest playwrights repeatedly produce. Mr. Shaw's work is in quite a different category. "Mrs. Warren's Profession" is a great moralistic play, which every first-class theatre in Europe but our own has long been familiar with as a work of art of the highest value and significance. It is rather terrible, as social guilt appears when we see it traced to its causes, and its place in our life truthfully and powerfully defined. It is also written with Mr. Shaw's invariable delicacy, and with more tragic intentness than is customary with him. Its exclusion from our stage is, therefore, a measure of a Court functionary's insensibility to art and morals, and of nothing more.

I HAVE read with peculiar curiosity, pleasure, and interest a small book of studies by "V." (Mrs. Garvin). They show a very lively, sensitive touch, poetic and humorous, and moving to a capricious, often a gay and frolicsome, air. Also Mrs. Garvin's delicate way of writing about places, and the spirit of places, especially when they are familiar to me (as with the country round Boulogne), puts me in specially sympathetic relationship with her work. In a word, its manner is unusual, even (to use a much higher word) original. I don't place all these studies on a monotonous level of excellence—that is the last kind of effect for which Mrs. Garvin is anxious. But it is astonishing how often she succeeds, and in how varied a way. Some of her humans are quite coolly and deliberately observed; as to others, again, meeting them on an Irish road, one would take them for fairies, or in a London drawing-room think them queer. But I should call them all true dream children—creatures of a witty intelligence, a curious memory, and an artist's feeling for color and atmosphere.

IF, as I fear, there is still a danger of the "Daily Herald" lapsing from its daily form into a weekly one, I hope the Trade Union world is thoroughly advised of it, and is taking the necessary measures to meet it. The "Herald" has been much strengthened by Mr. Fyfe's editorship, and Labor in its hour of Parliamentary victory ought to refuse the lame conclusion of letting it die, or seeing its range and vogue greatly weakened.

A WAYFARER.

Title and Letters.

GAY DECEIVERS.

THIS month's "Nineteenth Century and After" gives the first place to an article called "The Impostors," by Mr. Stirling Taylor. It is an epigrammatic and rather inconsequent attack upon our present politicians and our political life. We call it inconsequent because the end appears to us to contradict the beginning by offering an opposite solution of our unhappy complexities. The writer starts off in a tone of deep solemnity. "The problem of government," he says, "is the highest order of thought. It is the most complex problem of science; because the science of sociology is the study of mankind, and man is the topmost and most complicated figure in the universe." We suppose we may take that for

granted, though "universe" is a large word, and we know little about it beyond the narrow limits of this tiny dust-speck that we call the earth. But assuming this introduction to be all right, we read further, with a solemnity natural to the theme, that "This science and art of government should be the object of the profoundest care." Agreed, again. The writer proceeds:—

"A General Election of the House of Commons should be the most dignified act of a nation's life. Every sentence uttered should be weighed in the most delicate balance of thought. The result should express the decision of the most expert thought of the day. The wisest professors should come forth from their studies and libraries and give the lead to the inexperienced."

Now, that we call an appalling picture. The country had better be governed by Fabian "experts" at once. We did not suppose that a more afflicting method of government ever flitted through the dreams of Utopia; but worse remains behind. When the inexperienced have been duly instructed by professors fresh from their studies and libraries, "the verdict should be pronounced by a people who have spent their days in seeking to know the laws of good government, and their nights in supplication to whatever deities they possess, that they may be honest and entirely unselfish in their vote." What is more, we are told that "if there be any reality in a State Church, surely a General Election should worthily be conducted from its pulpits and prayed for at its altars." With every desire to take so vital a function as an election quite seriously, we still think that, to use the ribald phrase of our soldiers, this is rather a basinful.

However, we fully agree with Mr. Stirling Taylor that our elections are not at present conducted upon that eminent level. Comparatively few of our wisest professors emerge from their studies and libraries to lead the inexperienced. Comparatively few among the electorate spend their days in seeking to know the laws of good government. Still fewer, we fear, spend their nights in supplication to any deity for aid in giving an honest and entirely unselfish vote. Before the recent election the present writer attended many public meetings of all parties, but detected no trace of days given up to the pursuit of political science or of nights devoted to supplication. If the candidate had suggested such methods of passing the hours, we fear the reporter would have been obliged to add in brackets, "Great laughter from all parts of the hall." The audiences were not nearly "highbrow" enough to suit Mr. Stirling Taylor. The wisdom of our wisest professors would have uttered her voice in vain; and if the candidate had weighed every sentence, as Mr. Stirling Taylor advises, in the most delicate balance of thought, we fear he would have been left weighing. Perhaps Mr. Stirling Taylor has never attended an election meeting. If that is so, at the next election he should risk the shock to his moral nature, though it will be severe.

Our political situation would seem hopeless but for gleams of light which Mr. Stirling Taylor allows to peep through at the end of his article, just saving us from despair by a welcome inconsistency. For he devotes his conclusion to a eulogy on plain-minded people and common sense—not, we suppose, the kind of people who seek their instruction from the wisest professors emerging from their studies and libraries. In fact, he appears rather to decry the wisdom of those theoretic students:—

"The greatest philosophers and scientists," he says, "if they set out to build a new Jerusalem or a modern Utopia, would as likely as not cause more confusion than the plain-minded people, whose greatest virtues are honesty and simple common sense. The ordinary men and women, for whom laws are made, have none of the qualities which are necessary for mental gym-

nastics and brilliantly original statutes. They can only take the next step with proper dignity, and if they hurry they as often as not fall on their heads."

A little further on he adds: "The right thing can be done by very simple-minded people. Europe has been brought near to destruction by much brilliant thinking which should really be dealt with in the madhouses." We breathe again, for there is balm in Gilead. Most of our electorate are, we believe, plain-minded people, whose greatest virtues are honesty and simple common sense. As very simple-minded people they are capable of doing the right thing; and we are confident that there is not among us much of that brilliant thinking which should really be dealt with in the madhouses. We presume that the madhouses are not identical with those studies and libraries from which Mr. Stirling Taylor desires the wisest of our professors to emerge, but it is a real consolation to discover that, in his opinion, we, as simple-minded people, may possibly get along fairly well under the guidance of our own common sense. For he adds, "the rules that guide the actions of good men were settled before they gave up herding sheep, and require no discussion by new philosophers." Retaining as we do something of the pastoral mind, let us be thankful for this assurance as for all other mercies.

But the danger still remains that, though the guileless shepherd would go right if left to himself, he may be misled by gay deceivers from the sophisticated town. The writer calls his article "The Impostors," and by "impostors" we regret to say he means the vast majority of the candidates at the election, and therefore of our present rulers. He does graciously admit that, out of the 600 odd members of the House of Commons, there may possibly be "a few dozen who put the public interests before those of party, or class, or self." But for the rest, Heaven help us! he seems to think them no better than a pack of Lotharios who have intruded into the precincts of an innocent girls' school. The impostors talked of hanging the Kaiser and making Germany pay, and we agree that, though the charge is rather antiquated, the talk was characteristic of impostors. One of them, he reminds us, talked of going into the election "with a sword in his hand," and again we agree that it was the language of an impostor. Prompted by the metaphor of a sword, Mr. Stirling Taylor tells us in a passage which he puts bodily in italics that "politicians who respect their dignity will remember before they talk lightly of themselves as warriors that the laws of the game are very different." For the real soldier the penalty of failure is death, whereas "the politician's most terrible fate is a peerage." It is a smart enough epigram, but, after all, the penalty of a general who fails is not in this country death. It is much more likely to be a peerage, and if Mr. Stirling Taylor really wishes to see the death penalty inflicted for failure upon generals and politicians alike, he had better go and live in Athens.

But, dropping italics, he goes on to shake his finger very rigorously at our politicians. He says they take themselves too seriously (hardly possible, we should have thought, if they realized that "the problem of government is the highest order of thought"). He says that the bosom friends of yesterday and probably of to-morrow spent most of their time in abusing each other; which was true and much to be regretted, though we doubt if anything would have been gained if they had expressed their abuse in Greek or Latin, as he suggests. He says that the candidates poured out rhetoric upon us, which again is unfortunately true. He says the leader-writers would have dismissed such speeches as "hot air," but in order to fill up their columns they were obliged to take

the speakers seriously and find deep meanings where none existed (which seems to show that Mr. Stirling Taylor does not know much about leader-writing). And so he goes on from one point of abuse to another until he reaches the comforting conclusion that, after all, simple-minded people, guided by honesty and common sense, are likely to go right.

But what is an impostor? It is always best to make definitions by examples, and after reading Mr. Stirling Taylor's article we supposed we could straight away have filled a column with contemporary instances. But really it is not so easy. One or two names at which Mr. Stirling Taylor broadly hints leap to the eyes, and by universal consent Horatio Bottomley would have been acknowledged an impostor even if he had continued to impose. But, apart from the living, whom within the last century could we choose? Many called Disraeli an impostor; perhaps still more called Gladstone. Mr. Lytton Strachey would have us believe that there was a good deal of the impostor about Cardinal Manning, Dr. Arnold, Florence Nightingale, General Gordon, and most of the Victorians. We are not sure. Those are all great names, and if they must be called impostors, who shall escape? If we turn to literature, there is Pecksniff, of course, and some might suggest Jingle, Job Trotter, and Falstaff. But they will not pass. Save possibly Pecksniff, they have not the self-deception of the true impostor. For the moment, the best example we can think of is Theobald Pontifex, the father of Ernest in "The Way of All Flesh." That scene where he whips his boy for a trivial failure and then rings the bell for prayers, red-handed as he was, reveals the impostor in essence. But we doubt whether the country gains by calling our chosen rulers impostors and comparing them with Pecksniff and Bottomley and Theobald Pontifex. "Give a dog a bad name and hang him." Call a human being a bad name, and, if he does not hang himself, ten to one he will become what you call him.

Letters to the Editor.

LIBERAL REUNION.

SIR,—I think everyone who feels that the future of the Liberal Party is a vital concern of the country and of the world will be grateful for the warning sounded in THE NATION AND THE ATHENÆUM on the subject of reunion. Those who are to-day charged with the task of keeping alive the tradition associated with the great names of Hampden and Fox, Cobden and Gladstone, have a heavy responsibility. It is true that English Liberalism is a spirit that does not depend upon organization. The vessel may break, but the light is not extinguished. It has burned in these islands for a thousand years, and we need not fear that it is going out now.

But though we may feel at ease on this point, we cannot be indifferent to the crisis through which the Liberal Party is passing. On the manner of its emergence from that crisis depends, not indeed the fate of Liberalism, but the question whether Liberalism and the Liberal Party are synonymous terms. There are many eager spirits who hold the Liberal faith, especially among the younger men from whom, in the past, the Liberal Party has drawn its inspiration, who believe that they have ceased to be synonymous, and who have drifted into the Labor Party in despair of making them synonymous. Many more are in the state of mind that will easily carry them thither. I do not blame them. I know the impulse that moves them too well to blame them. If others, like myself, have not followed them and do not wish to be left with no alternative but to follow them, it is because there is something implicit in the Liberal faith

as we understand it which we do not yet find reflected in the Labor creed as it is presented to us—a vision of society as a political unit, founded not on class antagonisms or class interests, but on a common citizenship, aiming at an indiscriminating justice and equality of opportunity, and applying to all problems the single criterion of the general well-being.

It may be that Labor is moving to that ideal in its own way. It may be that the infusion into it of much that is virile in the Liberal Party will help it to move towards that ideal. But for the present, we who have inherited the splendid past of the Liberal Party, and who remember with pride its grand achievements for the commonwealth, believe that we can best serve the things we value by following the "Old Glory" whose folds bear the names of the founders of English liberty.

But the claim of the Liberal Party to be the inheritor of that flag has to be made good. For eight years it has been paralyzed. It has been shattered by the blind unreason of war from without, and it has been broken by betrayal within. In the four years of humiliation that have followed the war it has been helpless against the levity and ignorance that have consummated the ruin wrought by the war. Now, with the sudden vanishing of the Maskelyne and Cook régime and the revival of Parliamentary government, the question of whether the Liberal Party is to recover its authority in the State and re-establish its claim to be the vehicle of the Liberal idea arises for decision. Upon the developments of the immediate future the character of that decision will hang. What those developments will be in turn depends on what we mean by Liberalism—whether we conceive it as an instrument for getting one group of men out of office and another group of men in, or whether we conceive it as something which embodies the living principle of the nation.

This is the true issue before us in this matter. If we believe that the number of men who make up the Party and the amount of money the Party commands are the all-important considerations, we shall take one view. If we think that nothing matters but the moral significance of the Party, we shall take the other. In the one case we shall be caught by the glamor of the great riches which Mr. Lloyd George is said to have accumulated for his Party during the years of his dictatorship. In the other we shall ask ourselves whether the soul of Liberalism is a commodity we can take to market.

This is not a question of proscription. It is within the power of any man in the House to resume his place in the Liberal Party by his choice in the division lobby. Whether many members of the National Liberal Party are in a position honorably to stand that test is a matter for speculation. Most of them have been returned by Conservative votes, and many of them, it is understood, have given verbal and even written undertakings to support the Government. They are in the position of Sir Henry Norman, who declared, after his election at Blackburn, that he would go out of politics rather than turn his back on the Conservative Party, to whom he owed his election. But this, I repeat, is a question for themselves and does not concern the Liberal Party. If they speak and vote and act in the Liberal spirit they become, *ipso facto*, members of the Liberal Party. No one could keep them out, and no one would wish to keep them out.

But the suggestion that there should be a formal reunion with Mr. Lloyd George's group is a different matter. On what terms are we to absorb, or be absorbed by, a body of men whose record for the past four years has been a repudiation of everything that Liberals hold in esteem; who have shown that Liberalism has no meaning for them except as a thing to sell when the market is favorable; who have been the placid instruments of the disruption of the Liberal Party and of the establishment of a personal dictatorship which outraged the Liberal tradition of Parliamentary government; who took the coupon in 1918, and sit to-day in virtue of Conservative votes that imply honorable obligations to the Conservative Government? Is the Liberal Party to be involved in those obligations as the price of being able to dip into Mr. Lloyd George's war chest? Is it to become a party to Mr. Lloyd George's compact with Mr. Chamberlain, Lord Birkenhead, and Sir Robert Horne? Is it to be sterilized and muzzled until events have made clear to Mr. Lloyd George by what new feat of political necromancy he

can hope to rise from the gutter into which Sir George Younger has thrown him?

And what does reunion imply in regard to the leadership? Is it to be assumed that Mr. Lloyd George, having been contemptuously dismissed from the dictatorship to gain which he threw the Liberal Party like so many bones to the Tory dog, is now to come back as though nothing had happened to take his old place in the counsels of the Party, bringing with him Mr. Chamberlain, Lord Birkenhead, and his personal following to support his claims to dominion? Is this the modest proposal? Having smashed the Party in pursuit of personal power, is he, now that no other refuge is open to him, to be welcomed back to salvage his own wreck?

There is another weighty consideration. The curtain is at last being lifted on the inner history of the war, especially on the part which Mr. Lloyd George's activities at the end of 1916, his fatal interference with the military programme of Chantilly, and his bolting and barring the door to the peace proposals, had in prolonging the struggle by more than a year. The disclosures both here and in Germany make it clear that had the Chantilly programme been adhered to, the end would have come in 1917, and would have come in circumstances that would not merely have saved hundreds of thousands of lives, but would have averted the dissolution of Europe. Is the Liberal Party to be involved in that enormous liability? Is it to be invited to assume responsibility for the Lloyd George political bankruptcy in return for the Lloyd George financial assets?

If Mr. Lloyd George, in his chastened and homeless condition, looks yearningly to the pastures of Liberalism, no one would deny him, or have the right to deny him, the privilege of grazing there. He has the same liberty as any other member of his Party to speak as a Liberal and to vote as a Liberal. It will be no wrench to his facile political conscience to adjust himself to his reduced circumstances. We may suspect his *bona fides*, but we shall be silent about the past and judge him by his service. If he succeeds in winning the confidence of the Party, he may, in time, regain something of his former influence.

But the assumption of his supporters that he has only to intimate his readiness to resume his place in the counsels of the Liberal Party in order to be promoted forthwith to power in its ranks, predicates such contempt, alike for the Liberal Party and for the decencies of political life, as to leave the plain man gasping. It is not easy to conceive the effrontery which would sponge out the record of the past eight years, with its betrayal of colleagues, parties, and principles, its devouring passion for personal power, its subordination of Parliament to the Press, its corrupt traffic in "honors," its profligacy and its failure, as if it were a trifling matter of accountancy. It would be still less easy to conceive the state of mind of a party which, having been torpedoed by its chief lieutenant in collaboration with the enemy, invited him, when the enemy had found him out and thrown him overboard, to come back and take command.

The bare facts are not in dispute. Mr. Lloyd George broke the Liberal Party in order to secure the support of the Tory Party. He then manœuvred to break the Tory Party, and out of the fragments of both parties to build up a personal *bloc* that would make his dictatorship permanent and unassailable. He was beaten by the stubborn solidarity of the Tory Party, who, having used him to break its enemy, repudiated him when he had ceased to be serviceable. A month ago Mr. Lloyd George was still backing Conservative against Liberal candidates in the constituencies, and had the election resulted as he hoped it would result he would, by this time, have re-formed the Coalition with Mr. Bonar Law, Mr. Chamberlain, and Lord Balfour. Having failed in that adventure, and the sceptre of dictatorship having fallen from his hand beyond recovery, he and his friends propose to take over the derelict they had abandoned as the only vessel of political navigation left to them.

I have dealt only with the assassination of the Liberal Party. Far more serious has been the betrayal of Liberalism. Into that betrayal, with all its tragic consequences for this country and for Europe, it is not possible to enter here; but it is manifest that if the Liberal Party is to become the vehicle of the revival of Liberalism it must stand for the repudiation of everything associated with the dark chapter

of Lloyd Georgism. In the alternative, the reawakening of Liberalism will take other shape. The formal reunion of the Liberal Party with the Lloyd George Party would drive all that is sincere and self-respecting out of its ranks and leave it a derelict indeed, an imposture which by its own act confessed that its faith was a mockery, and that it had no more reverence for the moral values of public life than if they were counters on a gambler's table.—Yours, &c.,

A. G. GARDINER.

SIR,—Any Member of Parliament can easily unite with the Liberal Party by the simple process of voting with them, but I hope that no one will be misled by the amusing, but quite comprehensible S.O.S. signals which are daily sent out by the National Liberal Party. Any formal alliance with those who (presumably from conviction) are continually voting with the Government in the House of Commons would have all the vices of the late Coalition without even the doubtful merit of a temporary success. It would be not only bad political morality, but bad electioneering tactics, for "reunion" involving the acceptance, as present or prospective leader, of a man with Mr. Lloyd George's record would involve the loss to the Labor Party of many more votes than could be gained in the constituencies from "National Liberals."

This is not merely a matter of opinion. At the late election there were two important centres where "reunion" was announced with a great flourish of trumpets as an accomplished fact—at Manchester, where Lord Grey and the National Liberals appeared on a common platform, and at Leeds, where the two sections issued a joint address. The result was that out of nineteen seats in Leeds, Manchester, and Salford, one "National Liberal" just escaped defeat with the help of the full Tory vote, and not a single other Liberal was returned—much worse than the average for the whole country.—Yours, &c.,

AN OLD RADICAL.

SIR,—Your "Word to the Liberal Party" is a word in season.

The gravamen of the charge against the Coalitionists who called themselves Liberals is, not that they betrayed their colleagues, or even their party—that could be forgiven—but that for the sake of retaining office and power they betrayed the very principles by advocating which they had risen to office and power.

Men capable of doing that can only desire reunion in order to recover what they have lost, and if received back will be a source of mistrust and weakness that must paralyze the party in its effort to apply consistent principle to public questions. Better a small party of honest men trusting one another and bearing witness to the truth in them until it wins public confidence, than a large party half of whose members cannot trust the other half.

Reunion on terms other than public confession of error and repudiation in the voting lobby of such betrayals as the Safeguarding of Industries Act and the jettisoning of Land Reform means simply and only reunion for intrigue to secure limelight and leadership.

To those to whom Liberalism is not a mere policy, but a faith, a party so led will be impossible, and, as you say, honest Liberals will have either to drop politics or to join the Labor Party. Those will be the only alternatives left open to such as—Yours, &c.,

H. G. CHANCELLOR.

Hillsborough, 15, Crescent Road, Hornsey, N. 8.

SIR,—In your issue of the 2nd inst. you describe as either silly or shameless, or both, a proposal for the reunion of the Liberal Party. Why you should so describe this movement I am at a loss to discover. It is true you point out, and dwell at length upon, the past misdeeds of Mr. Lloyd George—and insist that reunion must mean the essential acceptance of Mr. Lloyd George as leader, and the immediate loss of contact with the sources from which the soul of idealistic politics is renewed. With regard to the first, may I ask are there any of us without faults or shortcomings, and who is to cast the first stone? And with regard to the second, Mr. Lloyd George can only become the leader of the Liberal Party if he is elected to that office by the

members of the Party, and possesses the confidence of the members of it, both inside and outside the House of Commons. Regarding the third objection to reunion, i.e., the loss of contact with the sources, &c., &c., I presume you mean loss of contact with the Labor Party. I should be sorry if this took place, but I have not observed any very close contact between Asquithian Liberals and Labor. The Liberal Party under Mr. Gladstone attained its highest fame and power, and he drew his inspiration from a Power above, not mentioned by you. From this source he gave a soul to Liberalism, and until we again revert to that fountain-head I doubt if we shall find that soul of idealistic politics which you desire. Meanwhile, I am for reunion and co-operation with any party when the cause is right, and an avoidance as much as possible of useless recriminations of the past.—Yours, &c.,

D. M. MASON.

34, Queen's Gate Gardens, London, S.W. 7.

[Of course, if Liberals avoid what Mr. Mason calls "recriminations of the past," i.e., investigation into the character and record of the Lloyd Georgians, they will have no difficulty in uniting with them. Indeed, on Mr. Mason's principles they might just as well unite with Joanna Southcott. She (like Mr. George) professed to "draw inspiration from a Power above."—ED., THE NATION AND THE ATHENÆUM.]

WAR-GUILT.

SIR,—With reference to the question of "War-Guilt," which has recently been discussed in your columns, I would venture to direct attention to the Russian Orange Book of 1914, of which many falsifications were exposed in October by the publication of papers from the secret Russian archives. The telegraphic correspondence between Paris and St. Petersburg included sixty communications, of which twenty-nine were suppressed, and eighteen received a more or less false coloring, while only thirteen were correct and complete. Those who wish to examine this question with new light must consult the publication, "Die Fälschungen des russischen Orangebuches," by Freiherr G. von Romberg, formerly Ambassador (Berlin and Leipzig: Walter de Gruyther & Co.). Many of the suppressed dispatches have reference to the efforts of Germany to localize the Austro-Serbian conflict.

I give here certain facts and let them speak for themselves. On July 25th, the Russian Ambassador in Paris told the Foreign Office in St. Petersburg that steps taken by Baron Schoen, the German Ambassador, were taken as an indication that Germany was not seeking war. On July 27th, Baron Schoen came a second time to the Ministry in Paris to seek a way out of the difficulty, by mediation or a conference. On the 28th he renewed his efforts, and said Germany was ready to work for peace in association with the other Powers, and on the 29th he complained of the military preparations of France, and said, in such circumstances, Germany would be driven to take like measures. At 1 a.m. on August 1st, the Russian military *attaché* in Paris communicated through the Ambassador in Paris to the War Minister in St. Petersburg, that the French Minister of War had told him in a high tone that France had decided on war, and that the French staff regarded Austria as a *quantité négligeable*, and would direct all efforts against Germany. On the afternoon of the same day the same *attaché* communicated to St. Petersburg that France wished Serbia to develop her attack quickly, and wished to know the date when the Russian offensive would begin. This was immediately after the French mobilization had been ordered. Several other Russian official telegrams from Paris throw further light on these critical circumstances.

On the general question of war preparations and the arrangements of Allies to give effect to them, it may be added that in the "Times" French Supplement of September 6th, 1919, appeared a statement from the French naval correspondent (which, from collateral evidence, issued from the French Ministry of Marine) declaring that the first measures taken by the French Navy in Northern waters, after the outbreak of war, were "consequent upon the conventions concluded in January and February, 1913, with the British Admiralty."—Yours, &c.,

JOHN LEYLAND.

SIR,—Your correspondent W. Lengleys is curiously ill-informed, although he lived in Rhenish Prussia for seven years, about French military preparations. He says: "The French reduced the period of their military service about 1906." That is true; but the actual result of this was to increase the numbers of the French Army by 50,000 men. As the "Encyclopædia Britannica" puts it: "The proportion of new contingent to old was practically five to four."

Your correspondent states later in his letter: "The French neglected all defences on the Eastern frontier."

Surely it is a matter of common knowledge that these French defences were so strong as to constitute what General Maitrot called "a Chinese Wall." This writer was only one of many military authors who dwelt upon the enormous strength of these fortifications, and it was, of course, their strength which obliged the Germans to make their attack through Luxembourg and Belgium.

I am ashamed to have to point these things out; but as you printed Mr. Lengleys's letter, it seems desirable to nail down his mistakes.—Yours, &c., HAMILTON FYFE.

December 6th, 1922.

MR. CHURCHILL'S DEFEAT.

SIR,—The effort of "An Old Radical" to explain the defeat of Mr. Churchill is only comic. Mr. Churchill was beaten by the forces that marshal themselves behind Progress.

The House of Lords decision on the Rents Question did not figure prominently on any platform. The only man who rushed in with a "please-the-rentpayers" declaration was Mr. Churchill's colleague, Mr. MacDonald. Mr. Morel merely gave the subject a mention. Why does "An Old Radical" falsify the Parish Council election? He probably knows the truth. Why does he ignore the Town Council elections? In these the Labor candidates were opposed by the same snuffy, superior, anti-Labor persons as opposed Mr. Morel. Labor won out all along the line.

"An Old Radical" evidently writes for Englishmen. I hope no Englishman will be misled by him. Mr. Morel beat Mr. Churchill because he (Morel) was a better candidate, commanded more and better support, stood for cleaner politics than Mr. Churchill ever heard tell of up to the time of this contest.—Yours, &c.,

JOHN OGILVIE,

Secretary, Dundee Labor Party.

December 4th, 1922.

"CONSTRUCTIVE LIBERALISM."

SIR,—In reference to the three questions at the close of the article on "Constructive Liberalism" in the issue of November 18th, may I venture to send somewhat obvious answers? You first ask how the consumer is to be safeguarded against high prices enforced by combinations of Capital and Labor. The fact that all great industries would be up against one another in one assembly would be the best safeguard. Those representing the Cotton Trust would be up against, say, the Meat Trust, for example, and so on all through the trades and industries. This would itself ensure that the members of the *National Industrial Council* or *Parliament* would bring prices down to a reasonable level, for each Trust would have to pay the high prices of all the others. Only in one body containing all Trusts could this matter be threshed out satisfactorily. There is no other available means. Moreover, the very fact that a means must be devised by which such Trusts are run for the benefit of the public and not for private profit will be a further deterrent.

Secondly, you ask how a National Industrial Council will prevent stronger trades from tyrannizing over weaker ones. Partly by wide publicity given to matters pertaining to the great Trusts, and partly by the presence in the Industrial Council or Parliament of all the other trade representatives, whose interests will be best served by seeing to it that there is sufficient elasticity and play for the development of new industries and ventures, which will ensure healthy competition and new developments from private invention and initiative.

Thirdly, and most important, you point out that economic internationalism is essential for the solution of all grave problems of wages, hours, and unemployment. This is the actual reason why such an Industrial Parliament

(representing, besides Trades, Trusts, and Labor, Finance, i.e., Banks, Stock Exchange members, and so on) is essential at the present time. How can the League of Nations or the trade or industrial representatives of any other country deal with the present amorphous mass—the industry of this country? There is no other means by which the present problems, both national and international, can be correlated, far less solved.—Yours, &c.,

C. C. MADDOCK.

North Kensington, W. 10.

LIBERALISM AND LABOR.

SIR,—Your correspondents all seem to ignore one important point—the attitude of the Liberal who believes neither in the reaction of Conservatism, on the one hand, nor the onward rush of Labor, on the other; who desires to blend prudence with progress, and who is, at one and the same time, afraid of retrogression from the Tory side and ultra-advancement from the Labor Party. There is, and always will be, a middle party in the State. Many Liberals fear Labor less than they fear Conservatism, for—and this is an important point in Lancashire—Labor would never be likely to tamper with Free Trade, and many of us willingly accept some of the principles of the Labor Party. But we decline to be driven either into the Labor Party or the Conservative Party. We simply desire to remain Liberals in the best sense of the word, and we have no desire to desert the ship because the weather is foul. Because the clouds hang low and we are threatened, there is all the more need for work so that Liberalism may come into its own again. And the first task is to heal the Liberal breach. We in Manchester have started it. We have closed the ranks. Let the country follow suit.—Yours, &c.,

FRANK HALL.

115, Dudley Road, Whalley Range, Manchester.

BOOKS ON HERBALS.

SIR,—When "H. J. M." waxes enthusiastic over Miss Rohde's book on "Herbals" as the only one of its kind, has he forgotten the book by Mrs. Arber that the C. U. Press published a few years ago: "Herbals: their Origin and Evolution, a Chapter in the History of Botany, 1470-1760"?—Yours, &c.,

G. H. MARSDEN.

Penrath, Sandbeds, Bingley.

ST. SOPHIA.

SIR,—“A Chaplain,” perhaps naturally, overlooks the fact that to be christened does not necessarily make you a Christian. The genius of Anthemius created not a church but the finest building that it could rear regardless of its purpose. Its form descends straight from the colossal Thermae. Architectural genius has always to find patronage in the popular requirements of the day. Once it had been baths and circuses, then it was churches, and now again it is baths and circuses. But seldom has the creative spirit adapted itself as little to the requirements of its patron as in Hagia Sophia. The Christian Church had for generations been developing an architecture—the basilican—which would fit its uses and evolve structurally according to its rites. This Byzantine never did; witness the problem where to place the High Altar, midway or at the apse. No consecration or furnishing could disguise its inherent secularity. That such criticism is not “merely architectural,” that the building was felt at once to lack ecclesiastical specialization, is surely suggested by its name. The Church before had been dedicated to the Twelve Apostles. This austere creation, in which the altar cannot find its place, is dedicated to the Holy Wisdom, an idea older and more universal than Orthodoxy. Even the limited Emperor, on entering, was carried outside the bounds of Christian precedent, crying, “I have surpassed thee, O Solomon.”—Yours, &c.,

GERALD HEARD.

CHRISTMAS DELICACIES.

SIR,—At a time when we are all laying in our store of Christmas delicacies, I would crave space to bring to your readers' notice an association of facts which may have escaped them. A great many of these delicacies come normally from Asia Minor through the port of Smyrna, where a short while ago was a flourishing colony of English traders. When disaster

overtook that city these unfortunate people, who numbered about a thousand, were compelled to flee at a moment's notice, some to Malta, others to Cyprus, Mitylene, and even to England. They arrived in these places without funds, with only the scantiest clothing, and in most cases absolutely ruined; for their money was locked up in the country they had been forced to leave, where the warehouses were crowded with the dried fruits, &c., ready to be exported.

These British refugees, whose plight is little known, have a very special call on the pity and generosity of their fellow-countrymen. The season is an apt one for their appeal. Is it too much to hope that when we are buying these delicacies in which it was their business to deal, we may think of these stricken Englishmen and help them? Charity is very bitter Christmas fare for them. Ours cannot but be sweeter for the knowledge that we have done something to mitigate their sufferings.

Donations are very urgently required by the Imperial War Relief Fund, General Buildings, Aldwych, London, W.C. 2.—Yours, &c.,

GERALD MILLER.

Secretary, Imperial War Relief Fund.

General Buildings, Aldwych, London, W.C. 2.

Poetry.

THE UNEMPLOYED.

“You might have died heroically: France
And Flanders surely gave you just the chance.
You'd have escaped this marching thro' the street,
This sordid seeking after bread and meat,
This aimless hunt for work. Work! Why, the war
Was held at great expense to manage for
The extra and unwanted carcasses
Of men whose mere existence makes our ease
Uncertain. As your ranks go shuffling by,
The Premier can't enjoy tranquillity.
Would you have us give you work and food, instead
Of spending money on our gallant dead?”

“As you have marched, misled by Bolshie tricks,
You must have noticed many a crucifix,
Raised that the people never may forget
Those who went out to pay our honor's debt:
Their glorious courage who would dare deny?
And they, at least, had the good sense to die;
Gass'd, shot, dismember'd, buried, blown to bits,
They don't come back and cry, where Dives sits,
'Work! Work! Give us this day our daily bread!'
Why are not you, like them, heroic dead?”

“At the packed meeting in the village hall,
Where we have met for the Memorial,
We choose the Crucifix: not the Risen Lord,
Nor Baby Jesus, life still unexplored;
Not the young Carpenter of Nazareth;
Nor Christ speaking of Love before his Death;
Nor the familiar Friend of Bethany—
But Jesus, dead, on the accursed tree:
We lie more tranquil in our easy bed
If God be, like our gallant heroes, dead.”

“Give us this day our daily bread!” I saw
The long procession trying to get to Law;
And as I looked I wondered—over there
Walked one man with a more familiar air;
Something remember'd in the way he stood
Flashed to my mind—

There is an empty rood!
The dead Christ has come down, even as he said,
And is walking with the men we wish were dead.
Not in the crib, no, nor on Mary's knee;
Nor at feast or fast; nor on the sacred Tree;
Not with the Saints, nor where the monstrance lifts
Its mystic promise of supernal gifts—
Not there can we find God, until, unless,
We see him in that man whose rags are less
Than the robe he wore when, in the palace-court,
They flogged him at the column for their sport.
The God whom we have imaged safely dead
Is marching down the Strand, shouting for bread.

R. ELLIS ROBERTS.

The Week in the City.

(BY OUR CITY EDITOR.)

THURSDAY.

THE unfortunate domination of economics and finance by politics, which has been a constant feature of the post-war years, is again greatly in evidence this week. For the eyes of the City are turned to Downing Street, where, at the week-end, Mr. Bonar Law and M. Poincaré are to try yet once more to arrive at Anglo-French concord on the problem of German Reparations. If such concord is reached, there will follow shortly an international financial conference at Brussels. But without such accord as a preliminary, it would be a mere waste of time and energy to assemble the Brussels gathering at all.

It is a common belief that towards the end of last summer a great opportunity presented itself for solving the problem on sane economic lines through a bold British initiative. The "Balfour Note" had the effect of definitely rejecting that opportunity, and rendering subsequent Anglo-French conversations as abortive as those that had been scattered over the previous three years. The great question of to-day is: Can Mr. Bonar Law recreate and seize the opportunity thrown away four months ago? He has declared himself free and unfettered by Coalition policy. He is free to take a bold initiative. He is not hampered by the distrust and suspicion that the late Government aroused in France. And, not least important, he will be talking with French politicians whose eyes have been visibly opening to reality, and who are steadily, if slowly, coming to regard the problem as more economic than political. If, by a wise and generous use of Great Britain's creditor position, Mr. Bonar Law can succeed where Mr. Lloyd George hesitated and failed, he will by this one success have begun the healing of Europe, and set this country's feet on the long road that leads to active trade and diminishing unemployment. The City has seen too many failures to be optimistic, but there is a revival of wistful hope.

THE COURSE OF THE MARKETS.

The chief feature of the exchanges this week has been the continued and outstanding strength of sterling exchange in New York, which has touched the highest level recorded since the exchange was "unpegged" in 1919. This movement is from many points of view highly satisfactory, but, as I have pointed out before, is partly due to bad trade, which means small imports of raw materials from the United States. The other leading exchange feature has been the strong recovery of Swiss currency. This recovery has been due entirely to the rejection of the Capital Levy plan in Switzerland by a large majority as the result of the referendum. The Stock Markets are rather disappointing, the volume of business failing to increase; and although the tone is fairly satisfactory, investment stocks do not seem to have felt the expected benefit from the large disbursements of War Loan dividends by the Government. Only a part of these disbursements are revealed in Tuesday night's return of national revenue and expenditure, and the rest will be included, presumably, in next week's return. In the week ending December 2nd, the floating debt was increased by £36½ millions, of which £10½ millions were borrowed from the Bank of England. This creation of credit has assisted to bring easier conditions in Lombard Street, which, however, have not reflected themselves on the Stock Exchange.

THE LESSONS OF THE BEVAN CASE.

The exemplary sentence passed upon Gerald Lee Bevan will be approved by all who appreciate the vital necessity for probity and rectitude in high financial circles. Had the gross charges of which he was found guilty been visited with anything but the maximum penalty, fresh force would have been added to the blow which Bevan himself has struck at public confidence in company finance in general and the conduct of insurance companies in particular. But the facts of Bevan's offences are a less important matter for the study of investors than the circumstances under which these offences were possible. The first question the public asked was: "What were Bevan's fellow-directors doing? How

was it that he could do all this without their finding out?" No suggestion of connivance or complicity has been even breathed against them; but the jury were so much impressed by this aspect of the question that to their verdict they added a rider "that the offences were rendered possible owing to other directors not properly carrying out their duties." Here is a striking object-lesson of the responsibility of directors. However dominant and respected the chairman of a company may be, his fellow-directors cannot afford to leave everything in his hands. By so doing they risk disaster for themselves and for the shareholders who appointed them. Shareholders appoint directors not to sit still and leave everything to the chairman; they appoint them each and severally to look after the interests of the company. At a board meeting the chairman should only be *primus inter pares*. In company affairs dictatorship is a grave danger.

INVESTORS' APATHY.

I do not think that investors themselves can wholly escape blame for such events as the Bevan disaster. They are accustomed (if, indeed, they take enough interest to attend a meeting or vote at all) to elect as a rule anyone who is proposed to them by the board for a directorship. So long as things go well they never think of inquiring whether they have got a board of active and skilled business men, or a board consisting of a dictator and a number of figureheads. The general calibre of company boards is probably very much better to-day than, say, fifteen or twenty years ago. The habit of electing a director merely because he has a title is not in such favor as it was. But the fact remains that shareholders ought, for their own safety, to take very much more interest than they do in the election of their directors. Investors also ought to realize the great danger of a "one-man show." A growth of interest and attention among shareholders will lead to greater care and application on the part of individual directors. The prevention of such disasters as this lies in the hands of shareholders primarily. It cannot, so far as I can see, be provided by legislation. Bevan's peculations would not have been stopped by any amendment of the company laws. They could only have been stopped by the close attention of directors to the affairs of the concerns in question; and the greater the interest taken by shareholders, the more careful and hardworking directors are likely to be.

ANGLO-PERSIAN OIL.

The Anglo-Persian Oil Company is very much in the public eye just now. The annual report, to March 31st last, is out this week; the Government have been asked in Parliament to consider the sale of their interest in the company; and, above all, oil seems to be in the centre of the stage at Lausanne. As regards the Anglo-Persian report, it discloses a drop of nearly £1,300,000 in gross profits, but the absence of new issue expenses, and a big decline in Income Tax and other charges, coupled with the huge carry-forward from last year, make the divisible surplus larger than a year ago, and the ordinary dividend is maintained at 20 per cent. Meanwhile, the oil share market on the Stock Exchange is very weak. Certainly oil appears to be attracting far more political than financial interest just now.

ON FORMING A COMPANY.

Messrs. Jordan & Sons send me a copy of the fifteenth edition of the well-known little handbook by Herbert W. Jordan, "How to Form a Company." This latest edition contains few changes of importance. For the benefit of those who do not know the book I may say that it gives a concise account of the advantages of incorporation, and explains clearly all the complicated procedure of forming a company and of its subsequent management. In detail it is, perhaps, not exhaustive, but it is eminently useful and instructive, and is as readable as any book on such a subject can be made.

L. J. R.

